



# Understanding Medicare



# Medicare – What is it?

- Health insurance for people
  - Age 65 and older
  - Under age 65 with certain disabilities
  - Any age with End-Stage Renal Disease (ESRD)
- Administered by
  - Centers for Medicare & Medicaid Services (CMS)
- Enroll through
  - Social Security
  - Railroad Retirement Board (RRB)



# Medicare – At A Glance

- Medicare has four parts
  - Part A – Hospital Insurance
  - Part B – Medical Insurance
  - Part C – Medicare Advantage Plans
  - Part D – Prescription Drug Coverage
- You now have choices in how you get your Medicare health and drug coverage benefits delivered




# Original Medicare

- Red, white, and blue Medicare card
- Part A and/or Part B
- Go to any provider that accepts Medicare
- You pay
  - Part B premium
    - Part A free for most people
  - Deductibles
  - Coinsurance or copayments

# + Medicare Card (front)

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<b>MEDICARE</b>			<b>HEALTH INSURANCE</b>	
<b>1-800-MEDICARE (1-800-633-4227)</b>				
NAME OF BENEFICIARY				
<b>JANE DOE</b>				
MEDICARE CLAIM NUMBER		SEX		
<b>000-00-0000-A</b>		<b>FEMALE</b>		
IS ENTITLED TO		EFFECTIVE DATE		
<b>HOSPITAL</b>		<b>(PART A)</b>	<b>07-01-1986</b>	
<b>MEDICAL</b>		<b>(PART B)</b>	<b>07-01-1986</b>	
SIGN HERE →		<u>Jane Doe</u>		



# Medicare – Enrollment

- Apply 3 months before age 65
  - Need not be retired
  - SSA will enroll you in Medicare starting the first day of the month (upon meeting requirements)
- Auto Enrollment
  - If you are already receiving Social Security benefit
  - If receiving Railroad Retirement benefits



# Medicare Part A – Hospital Coverage

- Part A premium is free for most people
- Covers
  - Hospital inpatient care
  - skilled nursing facility (SNF) care
  - home health care
  - hospice care
  - blood



# Inpatient Hospital Stays

- Covered services:
  - Semi-private room
  - Meals
  - General nursing
  - Other hospital services and supplies
- Includes:
  - Inpatient care in acute care hospitals
  - Critical Access Hospitals
  - Inpatient Rehabilitation Facilities
  - Long Term Care Hospitals
- 190-day limit for inpatient mental health care in a lifetime





# Paying for Hospital Stays

- For inpatient Hospital stays in 2011 you pay
  - \$1,132 total deductible for days 1 – 60
  - \$283 co-payment per day for days 61 – 90
  - \$566 co-payment per day for days 91 – 150 (60 lifetime reserve days)
  - All costs for each day beyond 150 days



# Skilled Nursing Facility Care

## ■ Coverage:

- semi-private room
- meals
- skilled nursing care
- physical, occupational, speech-language therapy
- medical social services
- medications
- medical supplies/equipment
- ambulance transportation
- dietary counseling

# + Paying for SNF Care

- For each benefit period in 2011 you pay
  - \$0 for days 1–20:
  - \$141.50 per day for days 21–100
  - All costs after 100 days



# Medicare Part B – Medical Coverage

- Enrollment in Part B is your choice
- Initial Enrollment Period (IEP)
  - 7 months beginning 3 months before age 65
- Enrolled automatically if receiving Social Security
  - To keep Part B, keep the card
  - If you don't want Part B, follow instructions with card



# Medicare Part B – Enrollment

- General Enrollment Period (GEP)
  - January 1 through March 31 each year
  - Coverage effective July 1
  - Premium increases 10% for each 12-month period you were eligible but did not enroll
- Special Enrollment Period
  - Sign up within 8 months of the end of employer or union health plan coverage

# + Medicare Part B – Paying the Premium

- Taken out of your monthly payment
  - Social Security
  - Railroad Retirement
  - Federal Government retirement
- Programs available to help

# + Medicare Part B – Paying the Premium

The Year You Began Receiving Medicare		Premium
2009		\$96.40
2010		\$110.50
2011		\$115.40
Some people will pay more per month if they have high incomes.		



# Medicare Part B – Coverage

- Doctors' services
- Outpatient medical and surgical services and supplies
- Diagnostic tests
- Outpatient therapy
- Outpatient mental health services
- Some preventive health care services
- Other medical services
- Clinical laboratory tests
- Home health services (not covered under Part A)
- Durable medical equipment
- Outpatient hospital services
- Blood
- Ambulance service
  - If other transportation would endanger your health





# Medicare Part B – Preventive Services

- “Welcome to Medicare” physical exam
- Annual physical after the first year
- Abdominal aortic aneurysm screening
- Bone mass measurement
- Cardiovascular disease screenings
- Colorectal cancer screenings
- Diabetes screenings
- \*Glaucoma tests
- Mammograms (screening)
- Pap test/pelvic exam/ clinical breast exam
- \*Prostate cancer screening
- Flu shots
- Pneumococcal shots
- Hepatitis B shots
- \*Smoking cessation
- \*HIV screenings



# Medicare Part B – Cost of Services

- In Original Medicare you pay
  - Yearly deductible
    - \$162 in 2011
  - 80% covered by Medicare, 20% co-pays for most services
  - Some copayments–see asterisked services
- Some programs may help



# Original Medicare – Assignment

- Only Applies to Original Medicare Part B Claims
- Agreement between
  - People with Medicare, Doctors, and other health care suppliers and Medicare
- Providers agree to
  - Be paid by Medicare
  - Get only the amount Medicare approves for their services
  - Only charge the Medicare deductible and/or coinsurance amount
- Providers who do NOT agree
  - May charge more than Medicare–approved amount
    - Limit of 15% more for most services
  - May ask you to pay entire charge at time of service



# Medigap – How It Works

- Only works with Original Medicare
  - Don't need Medigap if in MA Plan or other Medicare plans
- Can go to any doctor, hospital, or provider that accepts Medicare
  - Except with a Medicare SELECT policy
- You pay a monthly premium
- All Medigap plans must be approved by the IDOI
- A list of all Medigap plans is located on the SHIP website (or via packet in the mail)



# Advantage Plans – How They Work

- Get Medicare–covered services through the plan
- Can include a prescription drug coverage
- You have to stay in a certain network of hospitals and providers
- Co–pays and deductible are different than Original Medicare



# Medicare Part D – Rx Coverage

- Available for all people with Medicare
- Provided through
  - Medicare Prescription Drug Plans
  - Medicare Advantage Plans
  - Other Medicare plans
- Who Can Join
  - Requirements:
    - Have Medicare Part A, Part B, or both
    - Live in plan service area
    - Enroll in a Medicare prescription drug plan



# Medicare Part D – Enrollment

- When first eligible for Medicare
  - 7 months beginning 3 months before first month of Medicare eligibility
- During specific enrollment periods
  - Annual Coordinated Election Period
    - October 15 – December 7      **NEW DATES FOR 2011!**
  - Special Enrollment Periods
- Some people are enrolled automatically



# Medicare Part D – Indiana 2011 Facts

- 32 Medicare Prescription Drug Plans (PDPs) available
- 85% of people with Medicare have prescription drug coverage (including 55% with Part D)
- 34% of people with Part D get Extra Help (also called the low-income subsidy, or LIS)
- 100% of people with Medicare have access to a MA plan for a \$0 premium
- \$14.80 is the lowest monthly premium for a PDP
- Plan costs and coverage change each year, so all people with Medicare should check to make sure their plan still meets their needs





# Medicare Part D – Costs

- Costs vary by plan, most people will pay:
  - Monthly premium
  - \$310 Deductible
  - Initial coverage limit is \$2840

# + Extra Help for Part D

- Help with drug plan costs for people with limited income and resources
- Social Security makes determination
- Both income and resources are counted
- Some groups are automatically eligible
  - People with Medicare and Medicaid
  - Supplemental Security Income (SSI) only
  - Medicare Savings Programs
- Everyone else must apply



# How to Apply for Extra Help

- Multiple ways to apply
  - Paper application (from Social Security Office)
  - Applying with Social Security at [www.socialsecurity.gov](http://www.socialsecurity.gov) on the web
  - Applying through your local Medicaid office
  - LIS/MSP Enrollment Centers, your Local Area Agency on Aging
- You or someone on your behalf can apply



# Income and Resource Limits

## ■ Income

- Below 150% of Federal Income Level
  - \$1,361.25 per month for an individual or
  - \$1,838.75 per month for a married couple
  - Based on family size

## ■ Resources

- Up to \$12,640 (individual)
- Up to \$25,260 (married couple)
  - Includes \$1,500/person funeral or burial expenses
  - Counts savings and stocks
  - Does not count the home you currently live in nor the car you drive



# Hoosier Rx

- Hoosier Rx is Indiana's prescription drug plan for low-income seniors. Hoosier Rx does not consider your assets; it only considers your income.
- To qualify:
  - Indiana resident
  - Age 65 or over
  - Receive a low monthly income
  - Are without insurance that has a prescription drug benefit, you may qualify.
  - Net income is:
    - \$15,840 or less for an individual
    - \$21,240 or less for a couple
- To apply, call toll free 1-866-267-4679.



# Medicaid – What is it?

- Federal–state health insurance program
  - People with limited income and resources
  - Certain people with disabilities
- If eligible, most health care costs covered
- Eligibility determined by state
- Application processes and benefits vary



# Medicare Savings Programs

- Help from Medicaid paying Medicare premiums
  - For people with limited income and resources
  - May also pay Medicare deductibles and coinsurance
  - Programs include
    - Qualified Medicare Beneficiary (QMB)
    - Specified Low-income Medicare Beneficiary (SLMB)
    - Qualifying Individual (QI)



# 2011 MSP Income & Asset Amounts

	Income	Assets
<b>Qualified Medicare Beneficiary</b>	\$923 (single)	\$6,680 (single)
	\$1,235 (couples)	\$10,020 (couples)
<b>Specified Low Income Beneficiary</b>	\$1,239 (single)	\$6,680 (single)
	\$1,660 (couples)	\$10,020 (couples)
<b>Qualified Individual</b>	\$1,219 (single)	\$6,680 (single)
	\$1,640 (couples)	\$10,202 (couples)





# For More Information

- 1-800-MEDICARE (1-800-633-4227)
  - TTY users should call 1-877-486-2048
- Medicare & You 2011 handbook
- Other Medicare publications
- [www.medicare.gov](http://www.medicare.gov)
- [www.cms.hhs.gov](http://www.cms.hhs.gov)
- SHIP telephone: 1-800-452-4800
- SHIP website: [www.medicare.in.gov](http://www.medicare.in.gov)
- Your local Area Agency on Aging 1-800-986-9505